

NEWS

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Philadelphia Man Admits Scheme to Steal Tax Refunds of Relatives and Friends

(More)

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CAMDEN – A Philadelphia man pleaded guilty today to conspiring with his mother in a scheme to steal the federal tax refunds of relatives and friends, which totaled over \$10,000, U.S. Attorney Christopher J. Christie announced.

George Merritt III, 22, pleaded guilty before U.S. District Judge Robert B. Kugler to a two-count Indictment which charges him with one count of conspiracy and one count of theft of government funds totaling more than \$1,000. Judge Kugler scheduled sentencing for June 13.

The Indictment, which was returned on June 21, 2006, charges Merritt along with his mother, Evette Merritt, 42, a.k.a. “Evette Parker,” of Pennsauken. The Indictment describes a scheme in which the defendants used deceptive and manipulative practices in connection with the filing of taxpayers’ federal tax returns in order to gain control of the tax return funds for their own purposes. Evette Merritt, a self-employed tax preparer, was arrested on July 10, 2006, by Special Agents with the Treasury Inspector General for Tax Administration. The son surrendered to authorities a few days later.

At his plea hearing, Merritt admitted his involvement in the fraud conspiracy in which he and his mother agreed to steal the federal tax refunds of their relatives and friends. Merritt admitted that he and his mother opened two accounts at Citizens Bank for the purpose of using those accounts to receive the stolen refunds.

Evette Merritt pleaded guilty to the same charges on Oct. 31, 2006. At her plea hearing before Judge Kugler, she admitted that from January 2002 through March 2003 she completed and filed the federal and state tax returns of relatives and friends. Evette Merritt had agreed with the victims to complete and file their tax returns in a fashion that would cause the IRS to mail rebate checks to the victims’ addresses, she admitted. Instead, Evette Merritt fraudulently claimed on the tax returns that the taxpayers had authorized their tax refunds to be electronically deposited into the bank accounts controlled by her and her son. In doing so, Evette Merritt admitted she forged the signatures of the victims on the tax returns and the associated documents.

Both Evette and George Merritt III acknowledged that the IRS deposited the tax refunds into the aforementioned accounts and that they converted the refunds to their own use by withdrawing, transferring and spending the tax refunds.

Judge Kugler is scheduled to sentence Evette Merritt on April 27.

Count One of the Indictment charging conspiracy carries a maximum penalty of five years in prison and a fine of \$250,000. Count Two of the Indictment which charges theft of U.S. funds carries a maximum penalty of 10 years in prison and a fine of \$250,000.

In determining an actual sentence, Judge Kugler will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into

account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the Treasury Inspector General for Tax Administration, under the direction of Special Agent in Charge John Butkovich of the Washington Field Division, with the investigation leading to the Indictment and guilty pleas.

The government is represented by Assistant U.S. Attorney Ronald Chillemi of the Criminal Division in Camden.

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Defense Attorney: Maggie Moy, Esq. Asst. Federal Public Defender